

OBU010 - INTRODUCTORY FINANCIAL ACCOUNTING

3-4 Semester Hours

Related TAG: Business

General Course Description

This is a course of study that introduces financial accounting and financial reporting for business entities.

Learning Outcomes and Academic Skills:

Any introductory course of study in financial accounting that is included in the Business Transfer Assurance Guide must use business-related material to develop the following general learning outcomes and academic skills:

1. **Comprehend the broad role that accounting information plays in the economy***
2. **Comprehend the nature, purposes and use of basic financial statements by all stakeholders***
3. **Use the language of accounting and apply the important concepts on which financial reporting is based***
4. **Analyze the impact of basic business transactions on the financial statements of a business ***
5. **Compile basic financial statements for a business entity***
6. **Evaluate the financial performance of a business on the basis of its financial statements***

Body of Knowledge Requirements:

Any introductory course of study in financial accounting that is included in the Business Transfer Assurance Guide must provide coverage of *at least seventy percent* of the following topics:

I. The Environment of Accounting

1.00 The Role of Accounting in Society

1.01 Importance of financial information and the cost-benefit constraint

1.02 Internal and External users of accounting information

1.03 Auditing and credibility in reporting

1.04 Accounting roles and career opportunities

1.05 Ethics, reputation, and legal liability in accounting*

1.06 Types of business organizations

2.00 Accounting Standards and Regulation Structures

2.01 Financial statements and generally accepted accounting principles*

2.02 The FASB and financial accounting standards

2.03 Introduction of International Financial Reporting Standards (IFRS)

2.04 Government oversight of accounting and auditing

II. The Accounting Model

3.00 The Basic Financial Statements

3.01 Income statement*

3.02 Statement of equity*

3.03 Balance sheet*

3.04 Statement of cash flows*

4.00 Analysis of Business Activity

4.01 The basic accounting equation* 4.02 Income measurement and accrual accounting* 4.03 Impact of simple transactions on the accounting equation* 4.04 Debits and credits 4.05 Accounting records (journals, ledgers, computer systems)
5.00 Preparation of Financial Statements 5.01 The accounting cycle (trial balances, adjustments, closing) * 5.02 Income statement* 5.03 Statement of equity* 5.04 Balance sheet* 5.05 Statement of cash flows
III. Accounting for Key Domains of Business Activity
6.00 Revenues and Receivables 6.01 Accounting for service and merchandise revenues* 6.02 Reporting customer receivables - allowances and write-offs*
7.00 Merchandising and Inventory 7.01 Accounting for the cost of purchases and sales of merchandise* 7.02 Inventory Accounting Methods (FIFO, LIFO, or Average Cost) * 7.03 Lower of cost or market valuation
8.00 Management of Working Capital 8.01 Classification of current assets and liabilities* 8.02 Accounting for current liabilities (such as short-term notes, payroll, taxes, warranties, or current portion of LT debt) 8.03 Accounting for Cash and Cash Equivalents (bank reconciliation or petty cash) 8.04 Measures of working capital use (liquidity ratios) 8.05 General internal control procedures*
9.00 Long-Lived Assets 9.01 Acquisition cost* 9.02 Depreciation accounting and depreciation methods* 9.03 Book value vs. market value 9.04 Accounting for disposition of assets 9.05 Accounting for natural resources 9.06 Intangible assets 9.07 Circumstances that create goodwill in accounting
10.00 Long-Term Debt Financing 10.01 The nature of liabilities* 10.02 Accounting for long-term debt* 10.03 Effective interest or straight-line method for discount or premium amortization 10.04 Time value of money
11.00 Equity Financing 11.01 Debt vs. equity* 11.02 Types of equity (sole proprietorship, corporation, or partnership) 11.03 Accounting for stock (issuance, dividends) 11.04 Types of stock (preferred, common, treasury)
IV. Using Financial Statements
12.00 The Annual Report 12.01 Accounting elements of annual report 12.02 Management elements of annual report 12.03 SEC reporting requirements
13.00 Analysis of Financial Statements

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| 13.01 Objectives of financial statement analysis
13.02 Sources of company information
13.03 Financial ratios*
13.04 Data Analytics to analyze financial data |
| <i>Note: Body of knowledge and learning outcomes marked with an asterisk (*) are considered fundamental and essential.</i> |

BUSINESS TAG: INTRODUCTORY FINANCIAL ACCOUNTING TAG COURSE
FACULTY PARTICIPANTS
February 22, 2023

Name	Institution
Donna Chadwick (Lead)	Sinclair Community College
Robert Adkins	Clark State Community College
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November 2014

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